with a guarantee cover of 50 per cent; (ii) increasing the guarantee cover under Credit Guarantee Scheme from 80 per cent to 85 per cent for credit facility up to Rs.5 lakh; (iii) an advisory to central Public Sector Enterprises to ensure prompt payment of bills of MSMEs; (iv) interest subvention of 2 per cent in pre and post-shipment export credit to small and medium enterprises (SME) sector; (v) refinance limit of Rs.7,000 crore to Small Industries Development Bank of India (SIDBI) for incremental on-lending to the MSE sector; (vi) grant of need-based *ad hoc* working capital demand loans up to 20 per cent of the existing fund-based limits; and (vii) reduction in interest rates for borrowing by micro enterprises by 1 per cent and for SMEs by 0.5 per cent.

Guidelines to Public Sector Banks on bad assets

306. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has recently issued guidelines to Public Sector Banks on bad assets; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) No, Sir. However, in the meeting of Chief Executives of the public sector banks (PSBs) and public financial institutions with the Finance Minister on 10.06.2009, a need was emphasised to closely monitor the restructured accounts to check the growth of potential non-performing assets. The PSBs were also advised to further enhance their provisioning coverage to maintain the strength of the Indian public sector banking system.

Proposal to increase income tax ceiling

307. SHRI SUBHASH PRASAD YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to increase the ceiling on Income tax exemption for all categories of tax payers;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) *Vide* the Finance (No.2) Bill, 2009, introduced in the Lok Sabha on 6th July, 2009, following changes have been proposed in the income-tax rate structure for the Assessment year 2010-11;

(i) In the case of every individual, Hindu undivided family, Association of Persons or Body of Individuals (whether incorporated or not) or Artificial Juridical Persons, the basic exemption, is proposed to be increased from Rs. 1,50,000/- to Rs. 1,60,000/-.

(ii) In the case of a woman resident in India who is below the age of 65 years, the basic exemption is proposed to be increased from Rs. 1,80,000/- to Rs. 1,90,000/-.

(iii) In the case of a senior citizen resident in India, who is of the age of 65 years or more, the basic exemption is proposed to be increased from Rs. 2,25,000/- to Rs. 2,40,000/-.

Non-Performing Assets of Banks

308. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) the total Non-Performing Assets (NPAs) in different banks;

(b) whether the NPA position in the banks improved;

(c) if so, the bank-wise details thereof from 2000 to 2009;

(d) whether it is a fact that many Co-operative Banks, State Co-operative Banks including some of the nationalized banks showing less NPA is only manipulation of accounts and paper transaction;

(e) if so, what Government intends to do to curb these activities in banks; and

(f) the total amount of loan waived to various industries and industrial house in last three years in way of negotiating settlement of NPA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Bank-wise details of gross Non-performing Assets (NPAs) of scheduled commercial banks are given in Annexure [*See* Appendix 217 Annexure No. 7]. The data indicate that the Gross NPAs to Gross Advances ratio of the scheduled commercial banks has come down from 13.11% as on 31.03.2000 to 2.3% as on 31.03.2008. However, during the year 2008-09 the Gross NPAs as per Reserve Bank of India (RBI)'s provisional offsite returns, have increased to Rs. 66,962 crore and the Gross NPAs to Gross Advances ratio has marginally increased to 2.4%. The Government is ensuring that the targets of Gross NPAs, set by the Public Sector Banks in their 'Statement of Intent on Annual Goals' for 2009-10, are such that they strive to contain the level of their Gross NPAs within acceptable limits.

(d) and (e) RBI has laid down detailed guidelines on income recognition, asset classification and provisioning for the banks. The .statutory audit of the nationalised banks; all Primary (Urban) Co-operative Banks having deposits of Rs. 25 crore & above and registered in those States which have entered into a Memorandum of Understanding with RBI, and those registered under the Multi State Co-operative Societies Act, 2002 is carried out by the independent qualified audit firms. The statutory auditors also broadly peruse compliance of RBI guidelines on classification of assets and provision made for NPAs by the banks. Further, compliance with the RBI guidelines is also examined during the Annual Financial Inspection of banks by RBI and statutory inspection of Primary (Urban) Co-operative Banks. As and when any instance of deviation from RBI guidelines is observed, the concerned bank is advised to rectify the asset classification and make appropriate provisions.